

## **STATEMENT BY FIRST SELECTMAN TIMOTHY M. HERBST REGARDING MUNICIPAL HEALTHCARE**

A month ago when I addressed the Town of Trumbull for the first time as First Selectman, I vowed that the Town would work to produce a leaner, more productive government.

Over the course of the last month, this administration has dedicated itself to identifying operational savings to reduce both long term and short term costs.

We worked quickly to stop abuse in our municipal pension system by stopping excessive overpayments that were the result of sloppiness and inadequate controls. Further, we worked quickly to commission an independent audit to determine the scope of the problem.

When we found out that 1 in 3 employees had a Town issued cell phone, paid for by the taxpayers, we took immediate action to inform Town department heads that effective immediately, we would begin the process of reducing Town issued cell phones by 60%.

And when we found out that the Town of Trumbull was ready to buy open space for \$1 million dollars more than the property was valued, we decided that before we commit to further bonded debt that would be shouldered by our taxpayers, the Town must develop a sound land acquisition policy that focuses on a cost benefit analysis before we proceed with any future land purchases.

Today, as part of our goal to identify \$1 million dollars in operational savings, I wish to speak to you about a substantial cost to the taxpayers - - healthcare.

The Town of Trumbull spends \$5,000,000.00 a year on its municipal healthcare plan, not including the Board of Education.

This is a substantial cost to the Town and its taxpayers. If the taxpayers are going to pay for municipal employee healthcare, they expect a certain level of transparency from their government and a good faith effort to contain costs through equitable distribution.

I would publicly like to thank Town Treasurer John Ponzio and my Chief of Staff, Dan Nelson, for all of their hard work researching this issue, getting to the heart of the problem and identifying substantial savings for our Town.

Shortly before we took office, our incoming administration discovered that there were a handful of non-union municipal employees that were receiving free healthcare. These municipal employees paid no premium, but instead \$1.00 a week for dental coverage. This practice is in contravention to what our municipal unions pay for healthcare coverage. Further, in these challenging economic times, when some people cannot even afford their healthcare coverage, having a handful of employees receiving free healthcare on the taxpayer's dime sets a poor example. It further demonstrates a lack of fiscal restraint during these challenging times.

At first glance, our initial review found 20 employees receiving free healthcare. After more careful analysis, our administration has determined that there were roughly 40 employees receiving free healthcare from the Town of Trumbull at a cost of \$767,000.00

Today, this practice ends. These 40 employees will now pay a premium, like every other municipal employee. I firmly believe that you must lead by example. That is why I will pay the premium, just like every other municipal employee. As the chief

executive officer of this Town, I cannot in good faith ask the unions to make additional payments towards the cost of their healthcare at the same time I am receiving free healthcare. The Town Treasurer and the Town Clerk joined me last summer in pledging to return 3% of our salaries to set an example of fiscal discipline. They will also join me in eliminating the practice of free healthcare by paying the premium along with me.

Between employees in the administration that have refused Town sponsored healthcare and now with every other employee paying an 11% premium, like all other collective bargaining units, I am pleased today to announce that these operational changes will result in a savings of roughly \$215,000.00 to the Town of Trumbull.

The discovery of free healthcare provided to a select few also serves as another example of the need to have an independent, internal auditor working on behalf of the Town's taxpayers. I have spoken to Board of Finance Chairman Ken Martin and I have indicated that hiring a new internal auditor must be a top priority for the Board of Finance in this New Year.

Taxpayers should not suffer at the mercy of bureaucracy. Bureaucracy should yield to the will of the people. This administration is confident that a further review of operational consolidations will produce additional savings on the part of Trumbull taxpayers.

Thank you.